

**CITY COURT OF NATCHITOCHES, LOUISIANA
ANNUAL FINANCIAL REPORT**

DECEMBER 31, 2002

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Johnson, Thomas & Cunningham

Certified Public Accountants

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ACCOUNTANTS' COMPILATION REPORT ON THE FINANCIAL STATEMENTS

Honorable Fred S. Gahagan, Judge
City Court of Natchitoches
P. O. Box 70
Natchitoches, LA 71457

We have compiled the accompanying general purpose financial statements of the City Court of Natchitoches, Louisiana, a component unit of the City of Natchitoches, and the individual fund and account group financial statements of the court as of December 31, 2001 & 2002, and for the years then ended, in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. The financial statements have been prepared on the modified-accrual basis of accounting, which is the generally accepted accounting method established by the Governmental Accounting Standards Board for governmental units.

A compilation is limited to presenting, in the form of financial statements, information that is the representation of management. We have not audited or reviewed the accompanying financial statements, and accordingly, do not express an opinion or any other form of assurance on them.

In accordance with the *Louisiana Governmental Audit Guide* and the provisions of state law, we have issued a report dated April 10, 2003, on the results of our agreed-upon procedures.

Johnson, Thomas & Cunningham
Johnson, Thomas & Cunningham, CPA's

April 10, 2003
Natchitoches, Louisiana

GENERAL PURPOSE FINANCIAL STATEMENTS
(COMBINED STATEMENTS - OVERVIEW)

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City Court of Natchitoches
Natchitoches, Louisiana

Combined Balance Sheet-Fund Types and Account Groups
December 31, 2002

	Governmental <u>Fund Type</u> Judicial <u>Fund</u>	Fiduciary <u>Fund Type</u> Civil <u>Fund</u>
<u>Assets</u>		
Cash	\$11,328	\$111,785
Receivables	1,861	0
Equipment	0	0
Amount to be provided for Debt Retirement	<u>0</u>	<u>0</u>
Total Assets	<u>\$13,189</u>	<u>\$111,785</u>
<u>Liabilities</u>		
Accounts Payable	\$ 1,612	\$ 0
Unsettled Deposits	0	111,785
Notes Payable	<u>0</u>	<u>0</u>
Total Liabilities	<u>\$ 1,612</u>	<u>\$111,785</u>
<u>Fund Equity</u>		
Investment in General Fixed Assets	\$ 0	\$ 0
Fund Balance-		
Unreserved-Undesignated	11,577	0
Reserved for Debt Retirement	<u>0</u>	<u>0</u>
Total Fund Equity	<u>\$11,577</u>	<u>\$ 0</u>
Total Liabilities & Fund Equity	<u>\$13,189</u>	<u>\$111,785</u>

See accountant's compilation report and notes to financial statements.

General Fixed Assets	<u>Account Groups</u>		Totals	
	General Long-Term Debt	General Long-Term Debt	<u>(Memorandum Only)</u>	
			<u>2002</u>	<u>2001</u>
\$ 0	\$0		\$123,113	\$106,690
0	0		1,861	0
70,086	0		70,086	69,586
<u>0</u>	<u>0</u>		<u>0</u>	<u>3,182</u>
<u>\$70,086</u>	<u>\$0</u>		<u>\$195,060</u>	<u>\$179,458</u>
\$ 0	\$0		\$ 1,612	\$ 1,248
0	0		111,785	101,706
<u>0</u>	<u>0</u>		<u>0</u>	<u>3,182</u>
<u>\$ 0</u>	<u>\$0</u>		<u>\$113,397</u>	<u>\$106,136</u>
\$70,086	\$0		\$ 70,086	\$ 69,586
0	0		11,577	554
<u>0</u>	<u>0</u>		<u>0</u>	<u>3,182</u>
<u>\$70,086</u>	<u>\$0</u>		<u>\$ 81,663</u>	<u>\$ 73,322</u>
<u>\$70,086</u>	<u>\$0</u>		<u>\$195,060</u>	<u>\$179,458</u>

City Court of Natchitoches
Natchitoches, Louisiana

Statement of Revenues, Expenditures and Changes in Fund Balance-
Governmental Fund Type-Judicial Fund
Years Ended December 31, 2002 and 2001

	<u>Judicial Fund</u>	
	<u>2002</u>	<u>2001</u>
REVENUES:		
Intergovernmental	\$107,920	\$ 83,683
Charges for Services	<u>22,838</u>	<u>26,500</u>
Total Revenues	<u>\$130,758</u>	<u>\$110,183</u>
EXPENDITURES:		
Current-		
General Administration	\$119,618	\$106,101
Debt Service	<u>3,299</u>	<u>6,598</u>
Total Expenditures	<u>\$122,917</u>	<u>\$112,699</u>
Excess (Deficiency) of Revenues over Expenditures	\$ 7,841	\$ (2,516)
Fund Balance-Beginning of Year	<u>3,736</u>	<u>6,252</u>
Fund Balance-End of Year	<u>\$ 11,577</u>	<u>\$ 3,736</u>

See accountant's compilation report and notes to financial statements.

City Court of Natchitoches
Natchitoches, Louisiana

Statement of Revenues, Expenditures and Changes in Fund Balance-
Budget (GAAP Basis) and Actual
Governmental Fund Type-Judicial Fund
Year Ended December 31, 2002
With Comparative Amounts From Year Ended December 31, 2001

	<u>2002</u>		Variance	2001
	<u>Budget</u>	<u>Actual</u>	Favorable (Unfavorable)	<u>Actual</u>
REVENUES:				
Intergovernmental	\$107,000	\$107,920	\$ 920	\$ 83,683
Charges for Services	<u>23,000</u>	<u>22,838</u>	<u>(162)</u>	<u>26,500</u>
Total Revenues	<u>\$130,000</u>	<u>\$130,758</u>	<u>\$ 758</u>	<u>\$110,183</u>
EXPENDITURES:				
Current-				
General Administration	\$120,000	\$119,618	\$ 382	\$106,101
Debt Service	<u>3,300</u>	<u>3,299</u>	<u>1</u>	<u>6,598</u>
Total Expenditures	<u>\$123,300</u>	<u>\$122,917</u>	<u>\$ 383</u>	<u>\$112,699</u>
Excess (Deficiency) of Revenues over Expenditures	\$ 6,700	\$ 7,841	\$1,141	\$ (2,516)
Fund Balance-Beginning of Year	<u>3,736</u>	<u>3,736</u>	<u>0</u>	<u>6,252</u>
Fund Balance-End of Year	<u>\$ 10,436</u>	<u>\$ 11,577</u>	<u>\$1,141</u>	<u>\$ (2,516)</u>

See accountant's compilation report and notes to financial statements.

NOTES TO FINANCIAL STATEMENTS

City Court of Natchitoches, Louisiana
Notes to Financial Statements
December 31, 2002

INTRODUCTION

As provided by Louisiana Statute, the City Court administers the court system of the City of Natchitoches, Louisiana. The City Court is directed by the City Judge, who is elected to a term of four years.

In April of 1984, the Financial Accounting Foundation established the Governmental Accounting Standards Board (GASB) to promulgate generally accepted accounting principles and reporting standards with respect to activities and transactions of state and local governmental entities. In July of 1984, the GASB issued Statement 1, which provided that all statements and interpretations issued by the National Council on Governmental Accounting (NCGA) continue as generally accepted accounting principles until altered, amended, supplemented, revoked or superseded by subsequent GASB pronouncements.

The accounting and reporting policies of the City Court of Natchitoches conform to generally accepted accounting principles as applicable to governmental units. Such accounting and reporting policies also conform to the requirements of Louisiana Revised Statutes 24:517.

For financial reporting purposes, in conformance with Statement 3 of the NCGA, the financial statements of the City Court include all funds, account groups, and activities that are within the oversight responsibility of the city judge as an independently elected city official. Certain units of local government, over which the city judge exercise no oversight control, such as the City Marshall, are excluded from the accompanying financial statements. These units of government issued financial statements separate from that of the City Court.

1. Summary Of Significant Accounting Policies:

The accompanying component unit financial statements of the City Court of Natchitoches, Louisiana, have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

A. Reporting Entity-

As the governing authority of the city, for reporting purposes, the City of Natchitoches is the financial reporting entity for the City of Natchitoches. The financial reporting entity consists of (a) the primary government (City of Natchitoches), (b) organizations for which the primary government is financially accountable, and (c) other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

City Court of Natchitoches, Louisiana
Notes to Financial Statements
December 31, 2002

Governmental Accounting Standards Board Statement No. 14 established criteria for determining which component units should be considered part of the City of Natchitoches for financial reporting purposes. The basic criterion for including a potential component unit within the reporting entity is financial accountability. The GASB has set forth criteria to be considered in determining financial accountability. This criteria includes:

1. Appointing a voting majority of an organization's governing body, and
 - a. The ability of the city to impose its will on that organization and/or
 - b. The potential for the organization to provide specific financial benefits to or impose specific financial burdens on the city.
2. Organizations for which the city does not appoint a voting majority but are fiscally dependent on the city.
3. Organizations for which the reporting entity financial statements would be misleading if data of the organization is not included because of the nature or significance of the relationship.

Because of item number 2 above, the City Court was determined to be a component unit of the City of Natchitoches, the financial reporting entity. The accompanying financial statements present information only on the funds maintained by the Court and do not present information on the city, the general government services provided by that governmental unit, or the other governmental units that comprise the financial reporting entity.

B. Fund Accounting-

The accounts of the City Court are organized on the basis of funds and account groups, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures. Revenues are accounted for in these individual funds based upon the purpose for which they are to be spent, and the means by which spending activities are controlled. The funds presented in the financial statements are described as follows:

Governmental Fund:

Judicial Fund-The Judicial Fund, as provided by Louisiana Statute, is the principal fund of the City Court, and is used to account for the operations of the City Court's office. The various fees and charges due to the City Court are accounted for in this fund. General operating expenditures are paid from this fund.

City Court of Natchitoches, Louisiana
Notes to Financial Statements
December 31, 2002

Fiduciary Fund Type-Agency Fund:

Civil Fund-The Civil Fund is used to account for assets held as an agent for individuals and other parties. Agency funds are custodial in nature, assets equal liabilities, and do not involve measurement of results of operations.

C. Fixed Assets and Long-Term Liabilities-

The accounting and reporting treatment applied to the fixed assets and long-term liabilities associated with a fund are determined by its measurement focus. All governmental funds are accounted for on a spending or "financial flow" measurement focus and only current assets and current liabilities are generally included on their balance sheets.

Fixed assets used in the governmental fund type operations (general fixed assets) are accounted for in the General Fixed Assets Account Group, rather than in the governmental fund. These assets are recorded as expenditures in the governmental fund when purchased. No depreciation has been provided on general fixed assets.

All fixed assets are valued at historical cost.

Long-term liabilities expected to be financed from governmental funds are accounted for in the General Long-Term Debt Account Group, and not in the governmental fund.

The two account groups are not "funds". They are concerned only with the measurement of financial position and are not involved with measurement of results of operations.

D. Basis of Accounting-

Basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurement made, regardless of the measurement focus applied.

Both the Governmental and the Agency funds are accounted for using the modified accrual basis of accounting. Their revenues are recognized when they become measurable and available as net current assets.

Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred. Purchase of various operating supplies are regarded as expenditures at the time purchased.

E. Vacation and Sick Leave-

Employees of the City Court do not accrue or "carry forward" vacation or sick leave pay from year to year. As such, there are no accruals made in the financial statements for these payments.

City Court of Natchitoches, Louisiana
Notes to Financial Statements
December 31, 2002

F. Total Columns on General Purpose Financial Statements-

Total columns on the general purpose financial statements (combined statements - overview), are captioned "Memorandum Only" to indicate that they are presented only to facilitate financial analysis. Data in these columns do not present financial position, results of operations, or changes in financial position in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data.

G. Budgets and Budgetary Information-

The budget for the City Court is formulated by the City Clerk, and presented to the City Judge for his approval prior to the beginning of each year. Upon approval by the City Judge, the budget is adopted. All budgetary appropriations lapse at the end of each year.

H. Encumbrances-

The Natchitoches City Court does not employ "Encumbrances" in its accounting system.

2. Pension Plans:

The City Judge is a member of the Louisiana Employees Retirement System. In addition to personal deductions from his compensation, the Court contributes to the retirement system on his behalf. Total pension plan costs for 2002 for the City Court totaled \$4,778. The Clerk and Deputy Clerk are members of the Louisiana Municipal Employees Retirement System, and are covered through the City of Natchitoches. The City Court does not guarantee the benefits granted by either of these retirement systems.

3. Changes in General Fixed Assets:

The following is a summary of changes in the general fixed assets account balances during the year:

	<u>Balance</u> <u>12-31-01</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>12-31-02</u>
Land	\$ 0	\$ 0	\$0	\$ 0
Building	0	0	0	0
Equipment	<u>69,586</u>	<u>500</u>	<u>0</u>	<u>70,086</u>
Total	<u>\$69,586</u>	<u>\$500</u>	<u>\$0</u>	<u>\$70,086</u>

City Court of Natchitoches, Louisiana
Notes to Financial Statements
December 31, 2002

4. Changes in Long-Term Debt:

The following is a summary of long term debt transactions during the fiscal year:

Balance at 1-1-02	\$3,182
Principal Payments During 2002	<u>3,182</u>
Balance at 12-31-02	<u>\$ 0</u>

The long term debt consisted of a purchase agreement for a computer system.

5. Expenses Paid by Other Governmental Units:

The Clerk of City Court is paid by the City Court, City of Natchitoches, and the Natchitoches Parish Policy Jury. All other employees of the Court, with the exception of the Judge, are paid by the City Court and the City of Natchitoches.

6. Cash and Investments:

For reporting purposes, cash and cash equivalents include cash, demand deposits, time deposits, and certificates of deposit. At December 31, 2002, the City Court had cash equivalents totaling \$124,912. Cash and cash equivalents are stated at cost, which approximates market. Under Louisiana law, these deposits must be secured by federal deposit insurance, or by the pledge of securities owned by the bank. The market value of the pledged securities, plus the federal deposit insurance, must at all times equal the amount on deposit with the bank. The deposits at December 31, 2002, were secured as follows:

	<u>Bank Balance</u>	<u>FDIC Insurance</u>	<u>Balance Uninsured</u>
Cash and Cash Equivalents	<u>\$124,912</u>	<u>\$124,912</u>	<u>\$0</u>

7. Other Postemployment Benefits:

The City Court has no postemployment benefits plan.

8. Related Party Transactions:

There were no identified related party transactions for the year ended December 31, 2002.

FINANCIAL SCHEDULES OF THE INDIVIDUAL FUNDS
AND ACCOUNT GROUPS

JUDICIAL FUND

To account for the general operation of the City Court. The various fees and charges due to the City Court are accounted for in this fund, and the general operating expenses of the Court are paid from this fund.

City Court of Natchitoches
Natchitoches, Louisiana

Judicial Fund
Balance Sheets
December 31, 2002 and 2001

	<u>2002</u>	<u>2001</u>
<u>Assets</u>		
Cash	\$11,328	\$4,984
Accounts Receivable	<u>1,861</u>	<u>0</u>
Total Assets	<u>\$13,189</u>	<u>\$4,984</u>
<u>Liabilities & Fund Balance</u>		
Liabilities-		
Accounts Payable	\$ 1,612	\$1,248
Fund Balance-		
Unreserved-Undesignated	11,577	554
Reserved for Debt Retirement	<u>0</u>	<u>3,182</u>
Total Liabilities & Fund Balance	<u>\$13,189</u>	<u>\$4,984</u>

See accountant's compilation report and notes to financial statements.

City Court of Natchitoches
Natchitoches, Louisiana

Judicial Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance-
Budget (GAAP Basis) and Actual
Year Ended December 31, 2002
With Comparative Amounts from Year Ended December 31, 2001

	<u>2002</u>		Variance- Favorable (Unfavorable)	2001 <u>Actual</u>
	<u>Budget</u>	<u>Actual</u>		
REVENUES:				
Intergovernmental	\$107,000	\$107,920	\$ 920	\$ 83,683
Charges for Services	<u>23,000</u>	<u>22,838</u>	<u>(162)</u>	<u>26,500</u>
Total Revenues	<u>\$130,000</u>	<u>\$130,758</u>	<u>\$ 758</u>	<u>\$110,183</u>
EXPENDITURES:				
Current-				
General Administration-				
Salaries & Fees	\$ 56,000	\$ 55,658	\$ 342	\$ 40,799
Retirement	5,000	4,778	222	9,072
Travel	6,000	5,776	224	8,283
Supplies	16,000	16,404	(404)	17,023
Insurance	500	540	(40)	537
Payroll Taxes	800	718	82	7,402
Utilities & Telephone	3,600	3,482	118	2,588
Repairs	4,100	4,795	(695)	3,460
Miscellaneous	26,000	26,136	(136)	9,438
Capital Expenditures	2,000	1,331	669	7,499
Debt Service-				
Principal	3,182	3,182	0	5,825
Interest	<u>118</u>	<u>117</u>	<u>1</u>	<u>773</u>
Total Expenditures	<u>\$123,300</u>	<u>\$122,917</u>	<u>\$ 383</u>	<u>\$112,699</u>
Excess of Revenues over Expenditures	\$ 6,700	\$ 7,841	\$1,141	\$ (2,516)
Fund Balance-Beginning of Year	<u>3,736</u>	<u>3,736</u>	<u>0</u>	<u>6,252</u>
Fund Balance-End of Year	<u>\$ 10,436</u>	<u>\$ 11,577</u>	<u>\$1,141</u>	<u>\$ 3,736</u>

See accountant's compilation report and notes to financial statements.

FIDUCIARY FUND TYPE

Agency Fund-

Civil Fund-This fund is used to account for advance deposits on suits filed by litigants. The advances are refundable to the litigants after all costs have been paid.

City Court of Natchitoches
Natchitoches, Louisiana

Civil Fund
Balance Sheets
December 31, 2002 and 2001

	<u>2002</u>	<u>2001</u>
<u>Assets</u>		
Cash	\$111,785	\$101,706
Accounts Receivable	<u>0</u>	<u>0</u>
Total Assets	<u>\$111,785</u>	<u>\$101,706</u>
<u>Liabilities & Fund Equity</u>		
Liabilities-		
Accounts Payable	\$ 0	\$ 0
Unsettled Deposit Balances	<u>111,785</u>	<u>101,706</u>
Total Liabilities	\$111,785	\$101,706
Fund Equity	<u>0</u>	<u>0</u>
Total Liabilities & Fund Equity	<u>\$111,785</u>	<u>\$101,706</u>

See accountant's compilation report and notes to financial statements.

City Court of Natchitoches
Natchitoches, Louisiana

Civil Fund
Schedule of Changes in Deposit Balances
Years Ended December 31, 2002 and 2001

	<u>2002</u>	<u>2001</u>
Deposit Balances at Beginning of Year	\$101,706	\$ 91,892
Additions:		
Deposits Made During the Year	<u>130,070</u>	<u>135,863</u>
Sub-Total	<u>\$231,776</u>	<u>\$227,755</u>
Deductions:		
Refunds & Settlements	\$ 44,241	\$ 41,387
City Marshall's Fees	17,314	19,356
Judge's Fees	33,875	38,490
Recording	7,528	6,219
Other Fees & Costs	9,628	12,628
Judge's Compensation Fund	<u>7,405</u>	<u>7,969</u>
Total Deductions	<u>\$119,991</u>	<u>\$126,049</u>
Deposit Balances at End of Year	<u>\$111,785</u>	<u>\$101,706</u>

See accountant's compilation report and notes to financial statements.

GENERAL FIXED ASSETS ACCOUNT GROUP

To account for fixed assets used in the governmental type fund operations.

City Court of Natchitoches
Natchitoches, Louisiana

General Fixed Assets Account Group
Schedule of Changes in General Fixed Assets
Year Ended December 31, 2002

	Balance <u>1-1-02</u>	Judicial Fund <u>Additions</u>	Deletions/ <u>Retirements</u>	Balance <u>12-31-02</u>
General Fixed Assets-				
Land	\$ 0	\$ 0	\$0	\$ 0
Buildings	0	0	0	0
Equipment	<u>69,586</u>	<u>500</u>	<u>0</u>	<u>70,086</u>
Total General Fixed Assets	<u>\$69,586</u>	<u>\$500</u>	<u>\$0</u>	<u>\$70,086</u>
Investment in General Fixed Assets	<u>\$69,586</u>	<u>\$500</u>	<u>\$0</u>	<u>\$70,086</u>

See accountant's compilation report and notes to financial statements.

GENERAL LONG-TERM DEBT ACCOUNT GROUP

To account for unmatured principal amounts on general long-term debt expected to be financed from the governmental fund. Payment of principal and interest obligations is accounted for in the General Fund.

City Court of Natchitoches
Natchitoches, Louisiana

General Long-Term Debt Account Group
Schedule of General Long-Term Debt
December 31, 2002 and 2001

	<u>2002</u>	<u>2001</u>
Amount Available and to be Provided for Payment of Long-Term Debt:		
Amount Available in Judicial Fund for Debt Retirement	\$0	\$3,182
Amount to be Provided for Debt Retirement	<u>0</u>	<u>0</u>
Total Available and to be Provided	<u>\$0</u>	<u>\$3,182</u>
General Long-Term Debt Payable	<u>\$0</u>	<u>\$3,182</u>

See accountant's compilation report and notes to financial statements.

City Court of Natchitoches
Natchitoches, Louisiana

General Long-Term Debt Account Group
Schedule of Changes in Long-Term Debt
Year Ended December 31, 2002

	Balance <u>1-1-02</u>	Long-Term Debt <u>Incurred</u>	Long-Term Debt <u>Retired</u>	Balance <u>12-31-02</u>
Amount Available and to be Provided for Payment of Long-Term Debt:				
Amount Available in Judicial Fund for Debt Retirement	\$3,182	\$0	\$3,182	\$0
Amount to be Provided for Payment of Long-Term Debt	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Available and to be Provided	<u>\$3,182</u>	<u>\$0</u>	<u>\$3,182</u>	<u>\$0</u>
General Long-Term Debt Payable	<u>\$3,182</u>	<u>\$0</u>	<u>\$3,182</u>	<u>\$0</u>

See accountant's compilation report and notes to financial statements.

AGREED-UPON PROCEDURES

Johnson, Thomas & Cunningham

Certified Public Accountants

Eddie G. Johnson, CPA – A Professional Corporation (1962-1996)

Mark D. Thomas, CPA – A Professional Corporation
Roger M. Cunningham, CPA – A Professional Corporation

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INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

Honorable Fred S. Gahagan
City Court of Natchitoches
P. O. Box 70
Natchitoches, LA 71458

We have performed the procedures included in the *Louisiana Government Audit Guide* and enumerated below, which were agreed to by the management of the City Court of Natchitoches, Louisiana, and the Legislative Auditor, State of Louisiana, solely to assist the users in evaluating management's assertions about the City Court of Natchitoches' compliance with certain laws and regulations during the year ended December 31, 2002 included in the *Louisiana Attestation Questionnaire*. This agreed-upon procedures engagement was performed in accordance with standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of the specified users of the report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

Public Bid Law

1. Select all expenditures made during the year for material and supplies exceeding \$15,000, or public works exceeding \$100,000, and determine whether such purchases were made in accordance with LSA-RS 38:2211-2251 (the public bid law).

Not applicable.

Code of Ethics for Public Officials and Public Employees

2. Obtain from management a list of the immediate family members of each board member as defined by LSA-RS 42-1101-1124 (the code of ethics), and a list of outside business interests of all board members and employees, as well as their immediate families.

Management provided us with the required list, including the noted information.

3. Obtain from management a listing of all employees paid during the period under examination.

Not applicable.

4. Determine whether any of those employees included in the listing obtained from management in agreed-upon procedures (3) were also included on the listing obtained from management in agreed-upon procedure (2) as immediate family members.

Not applicable.

Budgeting

5. Obtain a copy of the legally adopted budget and all amendments.

Management provided us with a copy of the original budget.

6. Trace the budget adoption to the minute book.

Not applicable.

7. Compare the revenues and expenditures of the final budget to actual revenues and expenditures to determine if actual revenues or expenditures exceed budgeted amounts by more than 5%.

We compared the revenues and expenditures of the final budget to actual revenues and expenditures. Actual revenues and expenditures for the year did not exceed budgeted amounts by more than 5%.

8. Randomly select 6 disbursements made during the period under examination and:

- (a) trace payments to supporting documentation as to proper amount and payee;

We examined supporting documentation for each of the six selected disbursements and found that payment was for the proper amount and made to the correct payee.

- (b) determine if payments were properly coded to the correct fund and general ledger account; and

All payments examined were properly coded to the correct fund and general ledger account.

- (c) determine whether payments received approval from proper authorities.

All payments examined were properly approved by the proper authorities.

Meetings

9. Examine evidence indicating that agendas for meetings recorded in the minute book were posted or advertised as required by LSA-RS 42:1 through 42:12 (the open meetings law).

Not applicable.

Debt

10. Examine bank deposits for the period under examination and determine whether any such deposits appear to be proceeds of bank loans, bonds, or like indebtedness.

We inspected copies of all bank deposit slips for the period under examination and noted no deposits which appeared to be proceeds of bank loans, bonds, or like indebtedness.

Advances and Bonuses

11. Examine payroll records and minutes for the year to determine whether any payments have been made to employees which may constitute bonuses, advances, or gifts.

Not applicable.

We were not engaged to, and did not, perform an examination, the objective of which would be the expression of an opinion on management's assertions. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the use of management of the City Court of Natchitoches, Louisiana and the Legislative Auditor, State of Louisiana, and should not be used by those who have not agreed to the procedures and taken responsibility for the sufficiency of the procedures for their purposes. However, this report is a matter of public record and its distribution is not limited.

Johnson, Thomas & Cunningham

Johnson, Thomas & Cunningham, CPA's

April 10, 2003
Natchitoches, Louisiana

CITY COURT OF NATCHITOCHES, LOUISIANA

LOUISIANA ATTESTATION QUESTIONNAIRE

Johnson, Thomas & Cunningham, CPA's
321 Bienville Street
Natchitoches, LA 71457

In connection with your compilation of our financial statements as of December 31, 2002 and for the period then ended, and as required by Louisiana Revised Statute 24:513 and the *Louisiana Governmental Audit Guide*, we make the following representations to you. We accept full responsibility for our compliance with the following laws and regulations and the internal controls over compliance with such laws and regulations. We have evaluated our compliance with the following laws and regulations prior to making these representations.

These representations are based on the information available to us as of December 31, 2002.

Public Bid Law

It is true that we have complied with the public bid law, LSA-RS Title 38:2212, and, where applicable, the regulations of the Division of Administration, State Purchasing Office.

Yes X No

Code of Ethics for Public Officials and Public Employees

It is true that no employees or officials have accepted anything of value, whether in the form of a service, loan, or promise, from anyone that would constitute a violation of LSA-RS 42:1101-1124.

Yes X No

It is true that no member of the immediate family of any member of the governing authority, or the chief executive of the governmental entity, has been employed by the governmental entity after April 1, 1980, under circumstances that would constitute a violation of LSA-RS 42:1119.

Yes X No

Budgeting

We have complied with the state budgeting requirements of the Local Government Budget Act (LSA-RS 39:1301-14 or the budget requirements of LSA-RS 39:43.

Yes X No

Accounting and Reporting

All non-exempt governmental records are available as a public record and have been retained for at least three years, as required by LSA-RS 44:1, 44:7, 44:31, and 44:36.

Yes X No

We have filed our annual financial statements in accordance with LSA-RS 24:514, 33:453, and/or 39:92, as applicable.

Yes X No

We have had our financial statements audited or compiled in accordance with LSA-RS 24:513.

Yes X No

Meetings

We have complied with the provisions of the Open Meetings Law, provided in RS 42:1 through 42:12.

Yes X No

Debt

It is true we have not incurred any indebtedness, other than credit for 90 days or less to make purchases in the ordinary course of administration, nor have we entered into any lease-purchase agreements, without the approval of the State Bond Commission, as provided by Article VII, Section 8 of the 1974 Louisiana Constitution, Article VI, Section 33 of the 1974 Louisiana Constitution, and LSA-RS 47:1410.60.

Yes X No

We have disclosed to you all known noncompliance of the foregoing laws and regulations, as well as any contradictions to the foregoing representations. We have made available to you documentation relating to the foregoing laws and regulations.

Advances and Bonuses

It is true we have not advanced wages or salaries to employees or paid bonuses in violation of Article VII, Section 14 of the 1974 Louisiana Constitution, LSA-RS 14:138, and AG opinion 72-729.

Yes X No

We have provided you with any communications from regulatory agencies or other sources concerning any possible noncompliance with the foregoing laws and regulations, including any communications received between the end of the period under examination and the issuance of this report. We acknowledge our responsibility to disclose to you any known noncompliance which may occur subsequent to the issuance of your report.

Judge Fred Gahagan Date 04-08-03

Note - Quasi-public entities should delete reference to the above statutes, unless required to follow such laws by contact with their public funding agencies. The quasi-public entities should include a representation that they have complied with the contractual provisions under which they have received state and/or local funds.